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STATE OF MAINE

ONE HUNDRED AND TWENTY-FOURTH LEGISLATURE  
COMMITTEE ON EDUCATION AND CULTURAL AFFAIRS

June 8, 2009

MEMO TO: Senator William Diamond, Senate Chair,  
Representative Emily Ann Cain, House Chair, and  
Members of the Joint Standing Committee on Appropriations & Financial Affairs

FROM: Senator Justin Alfond, <sup>JA</sup>Senate Chair,  
Representative Patricia Sutherland, <sup>PS</sup>House Chair, and  
Members of the Joint Standing Committee on Education & Cultural Affairs

Subj: **Education & Cultural Affairs Committee Priorities For Bills Likely to be  
Placed on the "Special Appropriations Table"**

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Pursuant to Joint Rule 314, subsection 7, the Joint Standing Committee on Education and Cultural Affairs is pleased to submit our committee priorities for final passage of bills reported out of our committee that are on, or are likely to be placed on, the Special Appropriations Table.

On behalf of the Joint Standing Committee on Education and Cultural Affairs, we thank you for your consideration of our committee priorities. Please contact us should you have any questions regarding this matter.

cc: Members, Joint Standing Committee on Education and Cultural Affairs

Attachment: Education Committee Priorities for Bills Likely to be Placed on the "Special Appropriations Table" – 1st Session, 124th Legislature

**EDUCATION COMMITTEE PRIORITIES FOR BILLS LIKELY TO BE PLACED  
ON THE "SPECIAL APPROPRIATIONS TABLE" – 1<sup>ST</sup> SESSION, 124<sup>TH</sup> LEGISLATURE**

**Note:** The Education & Cultural Affairs Committee reports the following priorities:

RANK	LD #, TITLE & FISCAL NOTE
1	<p><b>LD 853, An Act To Encourage Maine Residents To Attend Medical School and Practice in Maine (C "A" S-178).</b> Bill establishes the Doctors for Maine's Future Scholarship Fund as a nonlapsing, interest-earning, revolving fund within the Finance Authority of Maine (FAME) to provide scholarships for qualifying Maine students, up to a maximum of \$25,000 per student per year who enter a qualifying Maine-based medical school program. The medical school programs must match funds for scholarships equal to the amount provided by the State. Public Law 2009, chapter 215, the biennial budget bill, appropriated \$1,500,000 in FY 2009-10 and \$1,500,000 in FY 2010-11 from General Fund monies "freed up" as a result of the enhanced Federal Medical Assistance Percentage provided in the American Recovery and Reinvestment Act (ARRA) of 2009 to fund this initiative. This bill requires the gradual phase-out of the Access to Medical Education program effective June 30, 2013 and provides that any unexpended fund balances in that program beginning in FY 2009-10 be used to fund the Doctors for Maine's Future Scholarship program. FAME estimates the savings as a result of the phasing out of the Access to Medical Education program to be \$100,000 in FY 2010-11, \$200,000 in FY 2011-12, \$300,000 in FY 2012-13 and \$400,000 in FY 2013-14.</p>
2	<p><b>LD 352, An Act To Encourage Veterinary Practice in Maine (C "A" S-258).</b> Bill includes General Fund appropriations of \$6,000 in FY 2009-10 and \$30,000 in FY 2010-11 for the Student Financial Assistance program within the Finance Authority of Maine (FAME) to fund the Maine Veterinary Medicine Loan Program. Bill also provides that FAME award up to 2 loans per year to eligible Maine residents, up to an aggregate of 8 loans. It includes funding for 1 loan per year, with \$25,000 being provided in FY 2010-11 to fund the first year cost of one loan. FAME will require additional General Fund appropriations of \$50,000 in FY 2011-12, \$75,000 in FY 2012-13, and \$100,000 in FY 2013-14 to fund the cost of one additional loan per year. Additionally, FAME has indicated that one loan per year can be funded within the existing resources of the Access to Medical Education program and the Health Professions Loan Program. The \$6,000 in FY 2009-10 is for the initial costs to implement the loan program and \$5,000 per year beginning in FY 2010-11 is for the ongoing cost of administering the program.</p>
3	<p><b>LD 1415, Resolve, To Promote Partnerships between the University of Maine System and the Maine Business Community (C "A" H-483).</b> Bill includes General Fund appropriations of \$280,000 in FY 2009-10 and \$280,000 in FY 2010-11 to the University of Maine System for the costs associated with implementing a pilot project to support the development of partnerships between the System and Maine's business community as well as to provide assistance to the business community in developing the skills and expertise needed for Maine's future economic growth. This legislation provides for the funding of the pilot project through FY 2013-14. Bill also includes language that requires the State Controller to transfer \$280,000 per year through FY 2013-14 from the Department of Professional and Financial Regulation, Office of Securities, Other Special Revenue Funds account to the unappropriated surplus of the General Fund to support the costs of this legislation, if sufficient surplus funds are available. Whether or not surplus funds will be available in each FY sufficient to support the cost of this legislation can not be determined at this time. Finally, additional costs to the Department of Economic and Community Development associated with conducting the required evaluation can be absorbed within existing budgeted resources</p>
4	<p><b>LD 1356, An Act To Improve the Ability of the Department of Education (DOE) To Conduct Longitudinal Data Studies (C "A" S-301).</b> Potential State Mandate – Unfunded. Legislation provides that 1) the Commissioner may require school administrative units (SAU's) to collect and report individual student social security numbers; and that 2) if SAU's are required to collect and report individual social security numbers, local SAU's must include in the annual notice to parents, required under the federal Family Educational Rights and Privacy Act of 1974 (FERPA), that the data is being collected, what the data will be used for and a request for the parents written consent to provide the information. The required local activities in this bill may represent a State mandate pursuant to the Constitution. Unless General Fund appropriations are provided to fund at least 90% of the additional costs or a Mandate Preamble is amended to the bill and two-thirds of the members of each House vote to exempt this mandate from the funding requirement, municipalities may not be required to implement these changes. According to information provided by the DOE, the Commissioner will not require SAUs to collect and report individual student social security numbers unless</p>

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	and until additional federal funding is received to expand the DOE's current K-12 longitudinal data system to a statewide system that will also include postsecondary and workforce information. The ARRA of 2009 includes \$250 million to the U.S. Education Department's Institute of Education Sciences for competitive grants for statewide data systems. The U.S.E.D. plans to award half that money in June or July of this year, with the balance being awarded in September and October of 2009. Additional costs to the DOE to prepare and send the required administrative letter can be absorbed within existing budgeted resources.
5	<b>LD 977, An Act To Repeal the School District Consolidation Laws. (C "A" H-257).</b> This is an initiated bill. Unless enacted without change during the First Regular Session of the 124th Legislature, this bill and any competing bills must be submitted to the voters at the next statewide election. If enacted, or approved by the voters, this legislation will increase the total state and local cost of K-12 public education by approximately \$67,911,430 in FY 2009-10 and \$69,459,811 in FY 2010-11 in order to restore funding that was reduced to certain cost components within essential programs and services (EPS) to recognize savings that were anticipated to be achieved as a result of the consolidation of school administrative units. Beginning in the 2008-2009 school year, P.L. 2007, c.240, Part XXXX reduced the system administration cost component of essential programs and services by 50% and the operation and maintenance of plant, special education, and transportation cost components of EPS by 5% each. The FY 2009-10 and 2010-11 estimates are based on the projected cost to state and local governments of \$66,397,565 in FY 2008-09 increased by average growth in the State's real personal income of 2.28% for the 2010-2011 biennium and 1.53% for the 2012-2013 biennium. The GPA for Local Schools program within the DOE will require additional General Fund appropriations \$37,351,286 in FY 2009-10 and \$38,202,896 in FY 2010-11 for the State's share of restoring the funds. The increased costs to local towns and municipalities associated with funding the local share is estimated to be \$30,560,143 in FY 2009-10 and \$31,256,915 in FY 2010-11, or approximately 0.3 mills each year.
6	<b>LD 1090, An Act To Allow Veterans and Active Duty Military Members To Qualify for In-state Tuition (C "A" H-372; H "A" H-421).</b> House amendment reduces current biennium revenue loss - Higher Educational Institutions; and reduces potential current biennium cost increase - General Fund. Allowing veterans of the military, regardless of the state of residence, enrolled at any campus of the University of Maine System, the Maine Community College System or Maine Maritime Academy, who are using benefits under the Post-9/11 Veterans Educational Assistance Act of 2008 ("the federal Act"), to receive a waiver from the tuition that remains after all payments from the federal Department of Veterans Affairs have been made may reduce the amount of lost tuition revenue to the higher education institutions. The impact can not be determined at this time. This fiscal note assumes that the benefits received under the federal Act for tuition are applied to the tuition costs first. The ability of the higher educational institutions to absorb any reduction in tuition revenue without increasing tuition or requiring additional General Fund appropriations can not be determined at this time.
7	<b>LD 79, Resolve, Regarding Legislative Review of Portions of Chapter 61: State Board of Education Rules for Major Capitol School Construction, a Major Substantive Rule of the Department of Education (C "A" H-49).</b> Future biennium cost increase - General Fund. Requiring the Commissioner of Education to recommend an increase to the debt ceiling effective in FY 2011-12 to create a pool of available resources for the innovative model in addition to what is available for new school construction projects that are prioritized and selected under current guidelines will increase the total state and local cost of K-12 public education in future biennia. The amount can not be determined at this time.
8	<b>LD 711, An Act To Authorize the Social Work Education Loan Repayment Program (C "A" H-218).</b> Undetermined current biennium cost increase - General Fund. Bill establishes the Social Work Education Loan Repayment Program to be administered by the FAME and creates a nonlapsing, interest-earning, revolving fund which is authorized to receive money from gifts, grants, bequests and donations in addition to money appropriated or allocated by the State and any federal funds received by the State in order to carry out the purposes of the program. The bill also allows the administrative costs incurred by the Authority to be paid out of the revolving fund. However, this legislation does not identify a source of funding for the program so it is not clear whether there are funds available from these sources to capitalize the fund or to provide ongoing support for the program. FAME has estimated the cost to establish and administer the program to be \$21,300 in FY 2009-10 and \$5,000 per year beginning in FY 2010-11 for the ongoing administrative costs. The cost of the loan repayment program can not be determined at this time and will depend on the number of qualified applicants and the loan repayment amount per applicant in the program.